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DPD-4234-59

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NEGOTIATED CONTRACT

Contract No. CT-701

Hycon Mfg. Company
Pasadena, California

Contract for: See Schedule

Amount: See PART VII

Mail Invoices to:

Performance Period:

1 July 1959 thru 30 June 1960

Administrative Data:

This contract is entered into, by and between the United States of America, hereinafter called the Government, represented by the Contracting Officer executing this contract, and the above-named Contractor which is a Corporation, incorporated in the State of Delaware, hereinafter called the Contractor.

The Parties hereto agree that the Contractor shall furnish the necessary personnel and shall perform all the services set forth in the attached Schedule issued hereunder for the consideration stated therein.

The rights and obligations of the parties to this contract shall be subject to and governed by the attached Schedule and General Provisions, which together with this signature page and the accompanying certificate comprise this Contract No. CT-701. In the event of any inconsistency between the Schedule and the General Provisions, the Schedule shall control.

IN WITNESS WHEREOF, the parties hereto have executed this contract as of
JUN 29 1959, 1959.

Signatures:

HYCON MFG. COMPANY

THE UNITED STATES OF AMERICA

By /s/By /s/

TITLE

Contracting Officer

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25 YEAR RE-REVIEW

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Contract No. CP-701

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Contract No. CT-701

SCHEDULEPART I - ARTICLES AND SUPPLIES TO BE FURNISHED

(a) The Contractor shall furnish to the Government such equipment, spare parts, modification kits, components, and data for equipment of types which have been, are being or may hereinafter be manufactured by the Contractor as the Government may call for hereunder. Quantities of the supplies to be furnished shall be determined as hereinafter provided.

(b) From time to time the Government will furnish lists to the Contractor which set forth the items the Government desires to procure together with the desired delivery schedule and the estimated dollar amount thereof. These lists will be in the form of (a) a Depot Purchase Request issued by the Depot Supply Officers or (b) a Hqs. request from the Contracting Officer or his authorized representatives in the case of Customer No. 2. The Contractor will promptly delete from said purchase requests any items rendered obsolete by design changes and insert in lieu thereof, superseding and interchangeable items, if any, in the same or lesser quantities, as appropriate. Contractor will generate a Production List for each Customer from such Depot Purchase Requests and/or Contracting Officer requests and shall transmit one copy to the Contracting Officer and three copies to the depot if for Customer 1 and one copy to the Contracting Officer, one copy to WSPO, and three to the Depot if for Customer 2, together with any pertinent information concerning the superseded items to the Contracting Officer and his duly authorized representatives. The Contractor will include an estimated price and an estimated delivery date on each Production List submitted. The Contractor will be obligated to furnish the items in the quantities listed therein, and subject to its rights elsewhere specified in this contract, the Government will be obligated to take delivery of the items so furnished on a Production List. The Contractor is hereby authorized to make delivery in advance of the schedule appearing on any Production List under this contract.

(c) If it appears to the Contractor at any time that the total price of the total quantity of items covered by any or all Production Lists issued for a specified Customer is likely to exceed the funds allotted hereunder in Part VI for said Customer, the Contractor shall notify the Contracting Officer and the authorized representative of the amount of such excess. Within thirty (30) days after receipt of such notice, the Government will either notify the Contractor it has taken action to increase the funds allotted for a customer, or will notify the Contractor of the items or quantities to be deleted from such Production Lists in order to bring it within the dollar amount thereof. If the Government fails to act within

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said thirty-day period, the Contractor shall submit to the Contracting Officer and the authorized representatives a recommendation of the parts to be deleted to bring the Production Lists within said dollar amount and the Contracting Officer shall approve or disapprove such recommendations within ten (10) days after receipt thereof. If the Contracting Officer fails to act within said ten (10) day period, the recommendation of the Contractor shall be deemed to have been approved and the Production Lists shall be modified accordingly. If the Government deletes items or quantities from a Production List, such action shall be considered a partial termination under the clause hereof entitled Termination for Convenience of the Government.

PART II - PROCEDURE FOR PRICING

(a) As soon as practicable after receipt by the Contractor from the Contracting Officer or his authorized representatives of a request or Depot Purchase Request, as appropriate, but in no event more than sixty (60) days after such receipt, the Contractor shall prepare and submit to the Contracting Officer a Proposed Call List (Priced Exhibit) for each Customer which shall include thereon the numbers of the Production Lists which are applicable thereto and the unit and total prices and delivery schedule covering the items shown thereon. A reproducible vellum and four prints in the case of Customer No. 1 and a vellum and five prints in the case of Customer No. 2 of the Proposed Call List will be prepared and shall be delivered promptly by the Contractor to the Contracting Officer. The reproducible and three (3) prints shall carry at the end thereof, a certificate manually signed by an officer or other person authorized to bind the Contractor, stating that the prices therein represent a firm quotation. Each such Call shall require the written approval of the Contracting Officer stating that the prices therein are fair and reasonable. Each such call shall set forth therein the total dollar amount thereof.

(b) If the Proposed Call List is approved by the Contracting Officer it shall be a numbered Call to the contract. If the Contracting Officer and the Contractor fail to agree on Prices in the Proposed Call List, the failure to agree shall be deemed a disagreement as to a question of fact which shall be disposed of in accordance with the clause thereof entitled "Disputes". The Contracting Officer shall reduce to writing by a Proposed Call List his decision, containing prices he believes fair and reasonable. The prices decided by the Contracting Officer shall be paid upon all deliveries, pending final decision of the dispute.

(c) Upon approval of any Call List, the Contracting Officer shall deliver a copy thereof to the Contractor and forward one copy thereof bearing his written approval to the Finance Officer responsible for making payments under this contract. Upon Government's acceptance of delivery of any of the items listed on an Approved Call List, the Contractor shall

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be entitled to be paid therefor at the prices shown on the Approved Call List.

(d) The Contractor shall be paid upon the submission monthly of properly certified invoices or vouchers, for partial deliveries accepted by the Government, or, when requested by the Contractor, payment for accepted partial deliveries shall be made whenever such payment would equal or exceed either \$1,000.00 or 50% of the total amount of the Approved Call List.

25X1 (e) The total of all prices agreed to in accordance with this PART II shall be subject to redetermination, in accordance with PART X of this contract entitled PRICE REDETERMINATION, at the end of each of the Government's fiscal years during which this contract shall run. Each call shall have set forth thereon a total target price which consists of the total of all items listed on the call and a ceiling price computed at of target price. Each call shall also indicate the total target and ceiling prices to date for this contract.

PART III - DELIVERY

Deliveries shall be made in accordance with the delivery schedules set forth in the Approved Call Lists as may be generated under this contract from time to time.

PART IV - INSPECTION AND ACCEPTANCE

(a) All supplies and services to be furnished under this contract shall be shipped FOB Contractor's or Subcontractor's plant in accordance with shipping instructions to be issued at a later date.

(b) All services, material and workmanship shall be subject to inspection and test by representatives of the Government. For this purpose, the Contractor shall allow at all reasonable times, to the extent approved in writing by the Contracting Officer or his duly authorized representative, inspectors and other Government personnel free access to the plant and operations and shall provide all reasonable facilities and assistance for the safety and convenience of the Government inspectors in the performance of their duties.

(c) Inspection and acceptance of the items contracted for under this contract shall be made by the Government at the Contractor's plant, with respect to any items fabricated and/or assembled and packed as individual or integral units at the Contractor's plant. With respect to items fabricated and/or assembled and packed as individual or integral units at subcontractors' plants, the point of inspection and acceptance shall be at the plant of such subcontractor.

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SECRET**PART V - PERIOD OF PERFORMANCE**

(a) The Contractor shall furnish the articles and supplies requested hereunder during the period 1 July 1959 through 30 June 1960

(b) The Government is granted the right and option of renewing or extending this contract for any additional periods of time but not to exceed 30 June 1961. This option to extend will be exercised by issuance of an Amendment to this contract.

PART VI - FUNDS ALLOTTED

For the purposes of this contract there has been allotted the following amounts:

<u>Period</u>	<u>Customer</u>	<u>Amount</u>	<u>Total Amount</u>
1 July 1959 - 30 June 1960	No. 1	\$24,000*	\$89,000
	No. 2	\$65,000	

(*contingent upon availability of funds for this purpose for Customer No. 1 during the Government's Fiscal Year 1960. Funding for each Customer is for an approximate six month period.

When preparing a Proposed Call List, Contractor shall indicate thereon the customer to which such document relates. Further, the Invoices shall indicate (1) the period involved, (2) the total funds allotted for said period less the total of all previous Invoices theretofore submitted, thereby (3) showing the balance of funds available for expenditure in that period. Under this amount shall be set forth the amount currently being claimed, reflecting the Call List Number, the line item number, quantity, unit price and total prices therefor.

All Depot Purchase Requests or Contracting Officer authorizations received prior to the end of a period should be charged to the funds allotted for that period notwithstanding the preparation of the Call List, work performed and invoices submitted after close of the period.

Contractor will indicate on final invoices for each customer that such invoice is its final claim for that period and inform the Contracting Officer of the unexpended amount for each customer. Unexpended funds at the end of a period for Customer No. 1 are not

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~~authorized~~ for use in a subsequent period. Unexpended funds at the end of a period for Customer No. 2 are available for use in a subsequent period and upon notification of the amount of such funds, the contract shall be amended to either transfer such funds to the subsequent period or remove them from the contract. If, at any time, the Contractor is of the opinion that the cost of such work will exceed the amount set forth above, it shall notify the Contracting Officer in accordance with the provisions of paragraph (c) of Part I.

PART VII - WAIVER OF REQUIREMENTS OF GENERAL PROVISIONS

Notwithstanding the requirements of any of the General Provisions of this contract to the contrary, whensoever the Contractor, in performance of the work under this contract, shall find that the requirements of any of the clauses of the General Provisions are in conflict with security instructions issued to the Contractor by the Contracting Officer or by his duly authorized representative for security matters, the Contractor shall call the attention of the Contracting Officer to such conflict and the Contracting Officer or his duly authorized representative for security matters shall (i) modify or rescind such security requirements or (ii) the Contracting Officer shall issue to the Contractor a waiver of compliance with the requirements of the General Provisions conflicting with such security requirements. Any waiver of compliance with the General Provisions of this contract issued by the Contracting Officer shall be in writing, except that the approval by the Contracting Officer of any subcontract issued hereunder by the Contractor shall be deemed to constitute approval of waiver of any clauses of the General Provisions in conflict with the stipulations of such subcontract.

PART VIII - SPECIAL SECURITY RESTRICTIONS

The Contractor shall not reveal (i) the specific nature or any details of the work being performed hereunder or (ii) any information whatsoever with respect to the department of the Government sponsoring this contract and the work thereunder except as the Contractor is directed or permitted to reveal such information by the Contracting Officer or by his duly authorized representative for security matters, and notwithstanding any clause or section of this contract to the contrary, the Contractor shall not interpret any clause or section of this contract as requiring or permitting divulgence of such information to any person, public or private, or to any officer or department of the Government without the express consent of the Contracting Officer or his duly authorized representative for security matters.

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PART IX - ANTICIPATORY COSTS

All costs, which have been incurred by the Contractor on and after 1 July 1959 in anticipation of this contract and prior to its signing, and which if incurred after signing would have been considered allowable items of cost for this contract, shall be considered as allowable items of cost hereunder.

PART X - PRICE REDETERMINATION

(a) Because of the nature of the work called for by this contract and the uncertainty as to the cost of performance hereunder, the parties agree that the contract price hereof may be adjusted in accordance with the provisions of this clause.

(b) Within sixty (60) days after the completion or termination of this contract, the contractor will prepare and submit to the contracting officer a revised price proposal for the supplies and services furnished on the contract supported by a cost statement, itemized so far as is practical in the manner prescribed by DD Form 784, together with such other information as may be pertinent in the negotiation for a revised price pursuant to this clause. The contracting officer shall have the right at all reasonable times to make or cause to be made such examinations and audits of the contractor's books, records, and accounts as he may request.

(c) Upon the filing of the statement and other pertinent information required by paragraph (b) of this clause, the contractor and the contracting officer will promptly negotiate in good faith to agree upon a reasonable revised price for the entire contract which, upon the basis of such statement and other pertinent information, will constitute fair and just compensation to the contractor for the performance of this contract. In determining the extent of any estimated allowance for profit to be taken into account in fixing such revised price, consideration will be given to the extent to which the contractor has performed the contract with efficiency, economy, and ingenuity. In no event shall the revised price exceed the Ceiling Price established in the last Call List (Priced Exhibit). The revised price shall be evidenced by a supplemental agreement to this contract.

(d) If within sixty (60) days after the completion or termination of this contract or such further period as may be fixed by written agreement, the parties shall fail to agree upon a revised price in accordance with the provisions of this clause, the failure to agree shall be deemed to be a disagreement as to a question of fact which shall be disposed of in accordance with the clause herein entitled "Disputes."

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(e) In the event of a price increase, the Government will pay or credit to the contractor the amount by which the revised price shall exceed the contract price aforesaid. In the event of a decrease in price, the contractor will repay or credit the amount of such decrease to the Government in such manner as the contracting officer may direct.

(f) For any of the purposes of the clause herein entitled "Termination for Convenience of the Government" (including without limitation, computation of "the total contract price" and "the contract price of work not terminated") the contract price shall be the revised contract price agreed upon under paragraph (g) of this clause or determined under paragraph (d) of this clause, as the case may be.

Distribution:

1- CT-701

2- Contractor

3- Finance

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